

Advice & Programme Assurance

Heading	Auditable Area	Description / Audit Objectives	Outturn
Advice, Contingencies & Assurance	<ul style="list-style-type: none"> • Advice & Guidance • Contingencies & Work Requests • Fraud & Special Investigations 	Responding to ad-hoc queries and requests for advice; responding to requests for one-off audit assignments, where it is considered that audit involvement is necessary; responding to allegations of fraud (<i>see also proactive anti-fraud work in counter fraud & internal control and probity section below</i>); project assurance and assuring appropriate consideration has been given to internal control & governance issues when new systems are introduced.	<p>Complete – continues into 2020/21.</p> <p>A number of requests for advice, guidance and support were received and towards the end of the year included work on the Authority's Covid-19 response including:</p> <ul style="list-style-type: none"> • Volunteer Cash Handling • Business Grants
Programme Assurance	<ul style="list-style-type: none"> • New Systems / Methods of Service Delivery 	Internal Audit will add value by providing assurance on aspects of the approach and work undertaken, and assessing the robustness of arrangements for benefits realisation. The systems, programmes and new initiatives to be supported will include providing assurance to the Senior Leadership Team on the Authority's change programme.	<p>Complete – support has been provided to the following project Boards / Working Groups, and will continue into 2020/21 where necessary:</p> <ul style="list-style-type: none"> • Children's Payment & Process Redesign Group • ICT Operations & Advisory Board • ICT Office 365 Project Board • ICT Performance and Prioritisation Board • ICT Disaster Recovery Project • Catering Services Chip & Pin • Cash Kiosk Replacement Programme

Audit and Assurance – Corporate and Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Outturn
Corporate and Cross Cutting	<ul style="list-style-type: none"> • Pre-Submission Review of Grant Claims 	To undertake grant claim certification in respect of external funding regimes on behalf of the Council, to ensure that grant funding requirements have been met and grant claims are submitted in accordance with grant conditions, to maximise available grant income.	<p>Complete. During 2019/20 grant claim certifications totalled £18m, and in each case the grant return was found to be compliant with the grant providers' audit requirements. Grants certified included:</p> <ul style="list-style-type: none"> • Local Transport Plan - £4.2m • Growth Hub Funding for NECA / LEP - £0.4m • Troubled Families – £0.58m <p>In addition, the Council's Carbon Reduction Commitment (CRC) return, which calculates the value of carbon credits the Council is required to purchase, has been certified with a value of £0.2m.</p> <p>During the year we were also asked to certify the following grants that were not on the Audit Plan. In each case the grant returns were also found to be compliant with the grant providers' audit requirements:</p> <ul style="list-style-type: none"> • A1058 Coast Road Local Growth Fund (LGF) - £7.4m • Swans Business Centre Phase 3 (LGF) - £0.014m • Swans Quay Work Feasibility (LGF) £0.5m • A19 Employment Corridor (LGF) - £4.7m

Audit and Assurance – Corporate and Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Outturn
Corporate and Cross Cutting	<ul style="list-style-type: none"> Annual Opinion 	An annual opinion on the 'adequacy and effectiveness of the framework of governance, risk management and control' will be drafted and presented to the Chief Executive, Head of Resources (Section 151 Officer), Senior Leadership Team and Audit Committee, outlining the audit work performed during the year and summarising key themes. This will be timed to support production of the Council's Annual Governance Statement.	Complete – report to Audit Committee May 2019 and July 2020.
Corporate and Cross Cutting	<ul style="list-style-type: none"> Follow up on Recommendations 	Monitoring the implementation of Internal Audit recommendations, in consultation with the service areas which have received these recommendations. During the year, Internal Audit will review the process benefitting from shared learning within the Internal Audit and Risk Management Service and against best practice to ensure recommendations are followed up and reported upon to Audit Committee in a timely, efficient and effective manner.	Complete – continues into 2020/21.

Audit and Assurance – Corporate and Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Outturn
Corporate and Cross Cutting	<ul style="list-style-type: none"> • Governance and value for Money Reviews 	<p>To review whether appropriate internal controls exist within a sample of significant business arrangements within North Tyneside Council. Where it is possible to assess the economy, efficiency and effectiveness of specific aspects of these arrangements, this will also be undertaken. Areas to be reviewed under this heading in 2019/20 include:</p> <ul style="list-style-type: none"> • Risk Management arrangements • Construction Partner in-sourcing • Section 106 / Section 278 arrangements • Treasury Management arrangements • Fundamental workforce workflows • Information Governance 	<p>2018/19 Work Completed:</p> <ul style="list-style-type: none"> • Deprivation of Liberty Safeguards (Limited Assurance 1 high, 5 medium & 9 low priority recommendations) <p>Work Completed:</p> <ul style="list-style-type: none"> • Construction Partner (project assurance role) <p>Reviews underway:</p> <ul style="list-style-type: none"> • Section 106 / Section 278 • Risk Management • Examination of Capital Projects <p>Reviews reprogrammed to 2020/21:</p> <ul style="list-style-type: none"> • Information Governance (Implementation of GDPR audit was finalised during 2019/20) • Treasury Management • Fundamental workforce workflows

Audit and Assurance – Service Area Specific

Heading	Auditable Area	Description / Audit Objectives	Outturn
Children, Young People and Learning	<ul style="list-style-type: none"> • Primary & First Schools, Middle Schools and Secondary Schools • Schools' Financial Value Standard (SFVS) 	<p>To assess, on a thematic basis, the application of controls associated with the discharge of responsibilities relating to delegated school budgets, within a sample of schools on a risk assessed basis.</p> <p>On behalf of the Head of Resources (Section 151 Officer), Internal Audit will co-ordinate Schools' Financial Value Standard submissions, for all of the Council's grant-maintained schools, and provide assurance to the Section 151 Officer relating to her annual report to the Department for Education.</p>	<p>Reprogrammed to 2020/21</p> <p>Complete - work undertaken by Internal Audit ensured that all schools were able to submit their assessments by the statutory deadline of 31 March 2020. The Authority was subsequently advised by the Department for Education that an annual return was not required for the 2019/20 financial year.</p>
Tyne Port Health Authority	<ul style="list-style-type: none"> • Tyne Port Health Authority 	<p>On behalf of North Tyneside Council, as the Accountable Body for the administration of Tyne Port Health Authority, to undertake the internal audit requirements associated with the annual Small Bodies Return for this entity. This will involve acting independently and on the basis of an assessment of risk, performing a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2019. To determine an appropriate level of internal audit coverage in accordance with the body's needs, and on the basis of findings in the areas examined to summarise conclusions and report these in an appropriate form to the body.</p>	<p>Complete</p>

Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Outturn
ICT	<ul style="list-style-type: none"> • System Reviews 	<p>To determine whether the systems and procedures in operation are functioning satisfactorily and are in accordance with legislation and council policy. In particular, to determine whether:</p> <ul style="list-style-type: none"> • The systems comply with good practice and all legal, statutory and regulatory body requirements, and meet business need; • All transactions are completely and accurately recorded and traceable; • Access to information and facilities is controlled and restricted to authorised users according to their needs; • The potential for fraud and error are minimised; • The systems are effectively administered and supported; • All staff using the systems have been correctly trained to the level that will allow them to properly fulfil their duties; • The systems are continually available during working hours; • The systems provide complete and accurate management information; and • Upgrades to the systems are properly resourced and managed to meet clearly stated and agreed business objectives. <p>For 2019/20, specific ICT audit coverage will be prioritised in the following areas:</p> <ul style="list-style-type: none"> • Accuserv System (Construction Group system) • Payment Card Industry Data Security Standards (PCIDSS) Compliance • Office 365 & SharePoint • Business Continuity Planning / Disaster Recovery • Leisure Management System • Customer Relationship Management System • Email • Internet 	<p>2018/19 work completed:</p> <ul style="list-style-type: none"> • Implementation of GDPR (Significant Assurance – 6 medium & 15 low priority recommendations) • Network Management (Significant Assurance - 7 medium & 7 low priority recommendations) <p>Work completed:</p> <ul style="list-style-type: none"> • Leisure Management (Significant Assurance – 2 medium & 9 low priority recommendations) • Customer Relationship Management (Significant Assurance – 4 medium & 12 low priority recommendations) • Email (Significant Assurance – 1 medium & 3 low priority recommendations) • Internet (Significant Assurance – 1 medium & 3 low priority recommendations) <p>Work reprogrammed to 2020/21:</p> <ul style="list-style-type: none"> • Office 365 & SharePoint – (SharePoint has not yet been implemented so the audit will be rescheduled to the next financial year. NB, we continue to support the implementation through our programme assurance work) • Accuserv System • Business Continuity Planning / Disaster Recovery • PCIDSS

Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Outturn
ICT	<ul style="list-style-type: none"> Public Service Network (PSN) Compliance 	To undertake the annual independent review of the Authority's compliance with the Public Service Network Code of Connection, to support the Authority's submission to the Public Services Network Authority for accreditation.	Complete.

Counter Fraud and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Outturn
Counter Fraud	<ul style="list-style-type: none"> Pro-active anti-fraud work 	To undertake pro-active anti-fraud and corruption work (including participation in the Cabinet Office's National Fraud Initiative and performing internal data matching exercises); and to raise the awareness of counter fraud and corruption measures across the organisation.	Complete – continues into 2020/21

Counter Fraud and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Outturn
Internal Control & Probity	<ul style="list-style-type: none"> • Core Financial Systems: <ul style="list-style-type: none"> ○ Business Rates; ○ Council Tax; ○ Payroll; ○ Creditor Payments; ○ Cash and Bank; ○ Debt and Income Management; ○ Housing Rent Assessment & Collection; ○ Housing & Council Tax Benefit 	<p>The core financial systems encompass the main ways in which the Authority either pays money out (Creditor Payments, Payroll, Housing & Council Tax Benefit) or receives monies in (Business Rates, Council Tax, Debt and Income Management, Rent Assessment and Collection). Each of these areas will be given some audit coverage in each financial year, with emphasis dictated by the organisation's risk profile determined on an annual basis.</p>	<p>Work completed:</p> <ul style="list-style-type: none"> • Business Rates (Significant Assurance – 2 low priority recommendations) • Debt and Income Management (Limited Assurance – 8 medium and 6 low recommendations) • Council Tax (Significant Assurance – 1 medium priority recommendations) • Cash and Bank (Limited Assurance 6 medium and 15 low priority recommendations) • Housing Rent Assessment & Collection (Full Assurance - no recommendations) <p>Work underway:</p> <ul style="list-style-type: none"> • Creditor Payments • Housing & Council Tax Benefit • Payroll

North Tyneside Trading Companies

Heading	Auditable Area	Description / Audit Objectives	Outturn
North Tyneside Trading Companies	<ul style="list-style-type: none">• Governance Flows	The Internal Audit service will be performing some specific audit work in respect of North Tyneside Council's trading companies. An assessment of governance flows between entities within the 'accounting group boundary' will be undertaken as part of this work	Underway